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NEGOTIABLE INSTRUMENTS—BANK AS PURCHASER FOR VALUE.—The payee of a check deposited it with the plaintiff bank for collection. The bank credited the amount of the deposit to the payee's account and the same day permitted him to check out his entire account. The maker, the defendant, then stopped payment on the check, and in a suit by the bank against him, *held*, four judges dissenting, the bank was a purchaser for value. *Old National Bank of Spokane v. Gibson* (Wash. 1919) 179 Pac. 117.

When a negotiable instrument is deposited for collection, title to it remains in the depositor and the bank is held his agent for purposes of collection. See *Giles v. Perkins* (1807) 9 East. 12; *Third Nat' Bank v. Exum* (1913) 163 N. C. 199, 79 S. E. 498; *Scott v. Ocean Bank* (1861) 23 N. Y. 289. Even though the bank credit the depositor's account with the amount of the uncollected check, this is regarded as a conditional credit which the bank may cancel and the principal-agent relation is not altered. See *In re State Bank* (1894) 56 Minn. 119, 57 N. W. 336; *Beale v. City of Somerville* (C. C. A. 1892) 50 Fed. 647. Now if the bank permits a depositor to draw against such credit, before collection is actually made does the bank thereby become a purchaser for value? In the absence of any express intention between the parties, some courts view such a transaction as a loan on the personal credit and allowed as a convenience. *Greenburg National Bank v. Syer & Co.* (1912) 113 Va. 53, 73 S. E. 438; see *Balbach v. Frelinghuysen* (C. C. 1883) 15 Fed. 675; *Morse, Banks and Banking* (4th ed.) § 586. Other cases maintain that an advance by the bank against an uncollected deposited check terminates the principal-agent relationship and becomes an act of purchase of the check, because the bank pays value relying thereon, and makes the bank titleholder. Cf. *Ayres v. Farmers' Merchants Bank* (1883) 79 Mo. 421; *Clark v. Merchants' Bank* (1849) 2 N. Y. 380; *Selover, Bank Collections*, § 15. And still others while not giving the bank title indicate that a lien is created in its favor for any debt due it from the depositor by virtue of such advances. See *Armour Packing Co. v. Davis* (1896) 118 N. C. 548, 24 S. E. 365; *In re State Bank, supra*; cf. *Joyce v. Auten* (1900) 179 U. S. 591, 21 Sup. Ct. 227; *Jones, Liens* 3rd ed.) § 244. Since banks generally lend on security rather than without security, and since it seems artificial to regard title as passing in the absence of extrinsic facts other than the advancing of money, this last inference seems the most probable and would make the bank a holder for value under the Uniform Negotiable Instruments Law, § 27, providing that a lienor of an instrument is a holder for value to the extent of his lien. Clearly the most unlikely inference is that the bank made an unsecured loan and on either of the other two theories the principal case decided under the N. I. L., is sound.

PATENTS—INFRINGEMENT—DIRECTOR'S LIABILITY FOR PROFITS.—The defendant organized a corporation to engage in the manufacture of machinery infringing the plaintiff's patent and, as one of its directors, completely dominated the corporation's acts. Substantial profits were made by this corporation from contracts involving infringements. Apparently to escape litigation the corporation was dissolved under the directions of the defendant. Waiving damages, the plaintiff in a bill in equity sought an accounting of the profits gained by the defendant from his tortious acts. *Held*, he was liable for so much of the profits as he actually received in dividends, salary, or in any other way. *Hitchcock v. Cruikshank* (C. C. A., 3rd Dist. 1919) 259 Fed. 948.

One who directs another to commit a tort is liable in equity for an accounting of the profits he received therefrom, even though the tortfeasor may also be liable. So one who directs another to commit an infringement of a patent is liable in equity to account for the profits he actually received. Walker, *Patents* (5th ed.) §§ 404, 406, 572; *cf. Prest-o-lite Co. v. Acetylene Welding Co.* (D. C. 1919) 259 Fed. 940. If one organizes a corporation to engage in the manufacture of an article infringing a patent and directs the acts of infringement, he cannot escape liability by pleading that it was a corporation which committed the acts of infringement. Walker, *op. cit.*, § 410; see *Cahoone Barnet Mfg. Co. v. Rubber & Celluloid Harness Co.* (C. C. 1891) 45 Fed. 582, 584; *Peters v. Union Biscuit Co.* (C. C. 1903) 120 Fed. 679, 686. However, it has been said that a court of equity will not permit a director to be joined where the corporation seems solvent; *Greene v. Buckley* (C. C. 1902) 120 Fed. 955; *Bowers v. Atlantic G. & P. Co.* (C. C. 1900) 104 Fed. 887; *Boston Woven Hose Co. v. Star Rubber Co.* (C. C. 1889) 40 Fed. 167; but where the remedy against the corporation would be inadequate, a court of equity will join him; Walker, *op. cit.*, §§ 410, 572; *cf. Glucose Sugar Refining Co. v. St. Louis S. & P. Co.* (C. C. 1905) 135 Fed. 540; and where he is using the corporation as a mere instrument for the violation of the vested rights of another, acquiring gains thereby, a court of equity will hold him without joining the corporation. Walker, *op. cit.*, § 410; *Calculagraph Co. v. Wilson* (C. C. 1904) 132 Fed. 20, 29. The holding in the instant case that he was liable for the profits he actually received is accordingly sound. By statute a patentee may in addition get damages for an infringement. 29 Stat. 694, U. S. Comp. Stat. (1916) § 9467.

RAILROADS—JURISDICTION—EFFECT OF FEDERAL CONTROL ACT.—The plaintiff brought an action against the Director General of Railroads, on a cause of action arising during the federal operation of the Rutland Railroad, an organization entirely outside the federal district of New Hampshire, in which the plaintiff as a resident brought this suit. Summons was served on the agent of the Boston and Maine Railroad within the district of New Hampshire, the plaintiff contending that federal control so far consolidated the various roads, that the agent of a formerly independent railroad could now be regarded as agent of the entire consolidated system. *Held*, such services was invalid. *Seaver v. Hines, Director General of Railroads* (D. C., N. H., 1919) 261 Fed. 239.

The liability for any act arising out of federal control is the liability of the United States Government and not of the individual road; *Haubert v. Baltimore & Ohio R. R.* (D. C. 1919) 259 Fed. 361; see *Smith v. Babcock & Wilson Co.* (D. C. 1919) 260 Fed. 679; and the act if interpreted to 680; continue the liability of the railroad would appear to be unconstitutional. *Schumacher v. Pennsylvania R. R.* (1919) 106 Misc. 564, 175 N. Y. Supp. 84; see 19 Columbia Law Rev. 333, 501. Order No. 50 of the Director General of Railroads dated October 28, 1918, directing that all actions be brought against the Director General is in accord with such a view. *Mardis v. Hines* (D. C. 1919) 258 Fed. 945. This does not, however, merge the railroads into a single system destroying their separate identity for procedural purposes. The citizenship of the railroad company and not that of the Director General determines jurisdiction. *Smith v. Babcock & Wilson*